



Opportunity
calls

Transforming complaints into customer loyalty

How expert complaint handling can turn your
biggest challenges into competitive advantages



Complaint
Management





The hidden opportunity in every complaint

In the Financial Services sector, customer complaints might be inevitable but that doesn't mean that they should be seen as a bad thing.

Handled right, they're an opportunity to strengthen a customer relationship, improve processes and earn long-term loyalty.

As an outsourcing partner for customer experience solutions, at Sigma Connected we know better than most that you can't always please everyone. Just look at the figures: The Financial Ombudsman Service received over 305,000 new cases in 2024/25*, a staggering 54% increase* from the previous year, while banking and consumer credit complaints alone

surged by 49%** in the second half of 2024, accounting for 77% of all Financial Services complaints.

While this spike can be partly attributed to the recent spate of complaints relating to motor finance commissions, it points to the wider trend of customers becoming increasingly aware of their consumer rights.

A challenge? Certainly. But one that contains an extraordinary opportunity. Research consistently shows that customers whose complaints are



"Every complaint is a chance to drive long-term business value. The question isn't whether you'll receive complaints – it's whether you can transform these inevitable friction points into a stronger relationship with your customers."

Richard Ferris, Head of Outsourced Complaints, **Sigma Connected**

handled expertly often become more loyal than those who never complained at all.

The difficulty lies not in avoiding complaints, but in transforming them into powerful moments of connection and trust.

The Financial Services landscape has never been more complex. From motor finance commission disputes to fraud and scams, from irresponsible lending concerns to data protection breaches, it's easy for even experienced industry navigators to lose their way.

Today's complaints require specialist knowledge, regulatory expertise and

real human connection that generic customer service simply cannot provide. The situation calls for a more forward-thinking approach to complaints handling, one that integrates tailored communications, comprehensive call strategies and feedback-generated insights to deliver positive outcomes for business and their customers.

This eBook explores how Financial Services organisations can transform their approach to complaint management, turning potential reputation damage into competitive advantage through expert handling, compliance excellence and genuine customer care.



305,000+

Financial Ombudsman Service cases in 2024/25*



54%

rise in complaints leading to a case*



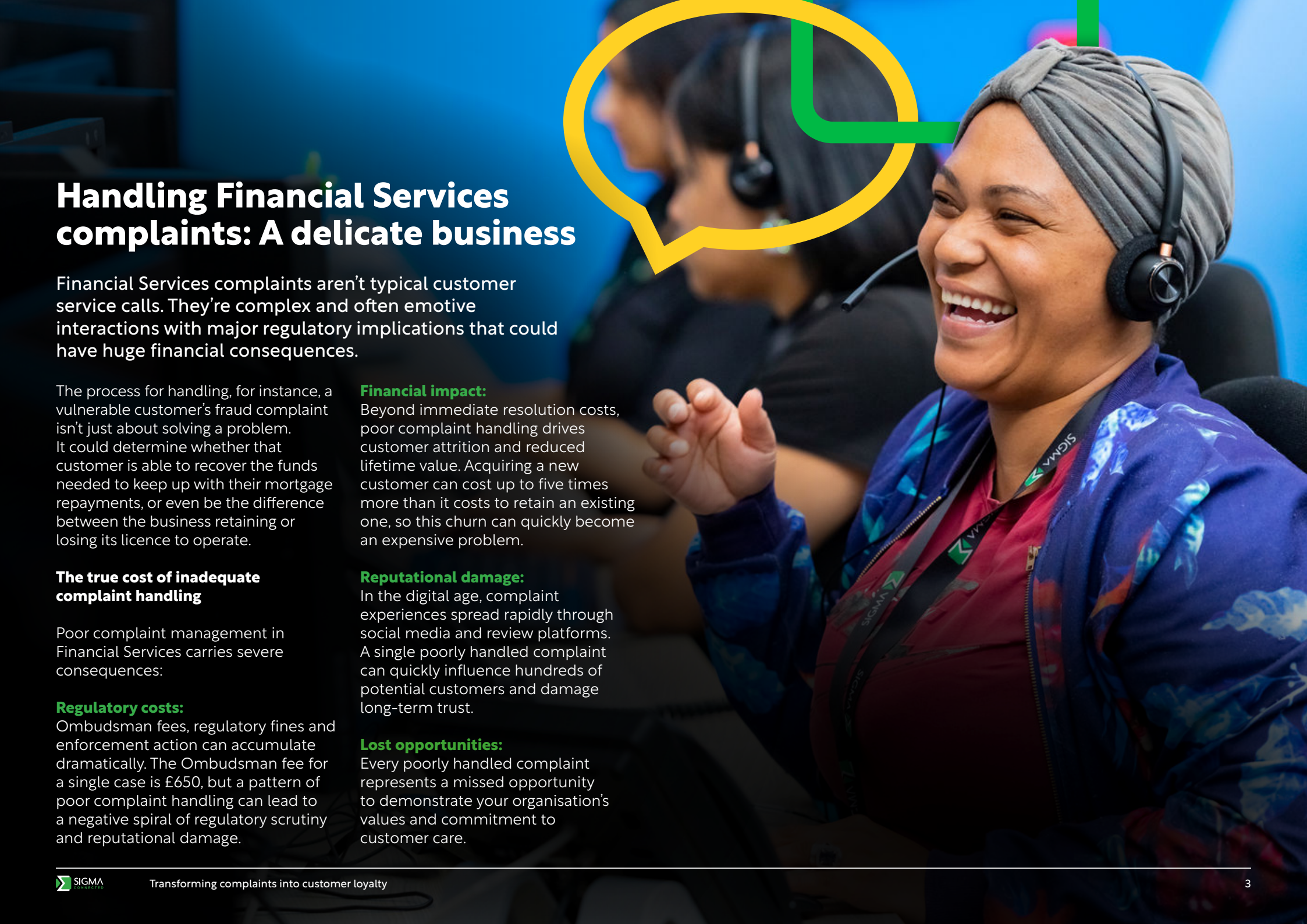
49%

rise in banking and consumer credit complaints**



141,760

Financial Services complaints in H2 2024*



Handling Financial Services complaints: A delicate business

Financial Services complaints aren't typical customer service calls. They're complex and often emotive interactions with major regulatory implications that could have huge financial consequences.

The process for handling, for instance, a vulnerable customer's fraud complaint isn't just about solving a problem. It could determine whether that customer is able to recover the funds needed to keep up with their mortgage repayments, or even be the difference between the business retaining or losing its licence to operate.

The true cost of inadequate complaint handling

Poor complaint management in Financial Services carries severe consequences:

Regulatory costs:

Ombudsman fees, regulatory fines and enforcement action can accumulate dramatically. The Ombudsman fee for a single case is £650, but a pattern of poor complaint handling can lead to a negative spiral of regulatory scrutiny and reputational damage.

Financial impact:

Beyond immediate resolution costs, poor complaint handling drives customer attrition and reduced lifetime value. Acquiring a new customer can cost up to five times more than it costs to retain an existing one, so this churn can quickly become an expensive problem.

Reputational damage:

In the digital age, complaint experiences spread rapidly through social media and review platforms. A single poorly handled complaint can quickly influence hundreds of potential customers and damage long-term trust.

Lost opportunities:

Every poorly handled complaint represents a missed opportunity to demonstrate your organisation's values and commitment to customer care.

Sigma Connected's expert approach

Financial Services complaint handlers face complex choices requiring specialist knowledge on a daily basis. As an FCA authorised firm, we understand the industry and the needs of customers within it.

Our Financial Services complaint managers bring expertise that generic customer service cannot match, ensuring fair outcomes, regulatory compliance, and stronger customer relationships.

Deep regulatory knowledge



Compliant and fair outcomes are ensured every time thanks to our comprehensive understanding of FCA rules, Consumer Duty obligations, DISP rules, and sector-specific regulations.

Data-driven improvement:



We establish strong feedback loops to identify process improvements and systemic issues before they escalate, using complaint data to drive continuous enhancement.

Empathy first

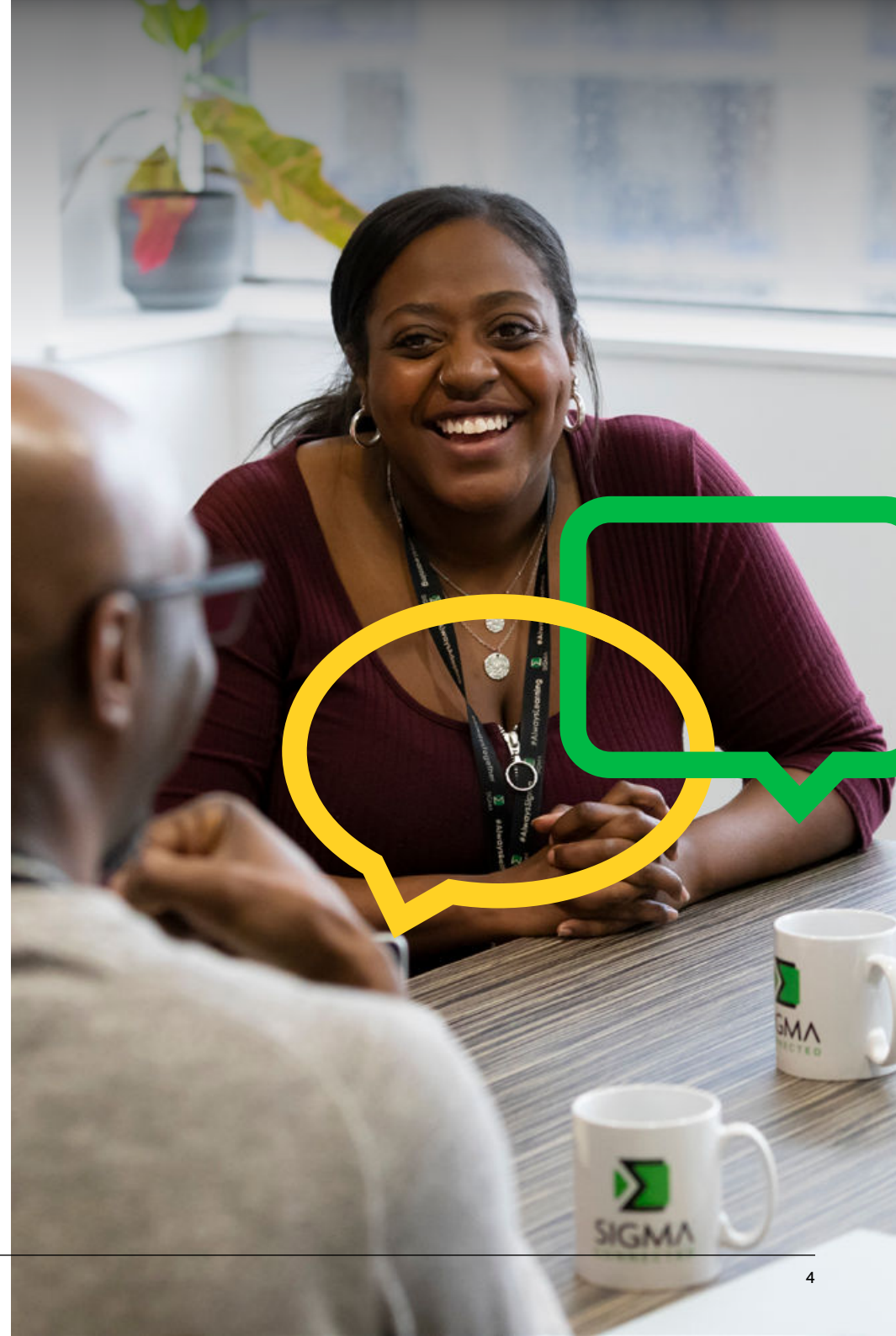


Our approach is built on customer care, which is why we always approach emotionally charged situations with genuine empathy and treat the customer with respect.

Omnichannel excellence



Across phone, email, webchat and written correspondence we offer seamless support, ensuring consistent quality regardless of contact method.





Our approach centres on four key pillars

Financial Services complaints are often highly stressful for customers. How you respond in those moments could define your relationship more than years of routine transactions. That's why having a clear, flexible approach is key to turning issues into opportunities for loyalty.

We have a tried-and-tested complaints methodology, designed to improve the customer experience, encourage retention, meet and exceed regulatory standards and add to your overall profitability. Our approach centres on four key pillars:



Partnership

We become an extension of your team, fully aligned with your brand values and customer experience standards. Our agents represent your organisation with the same care and professionalism as your internal staff.



Proactivity

Rather than processing complaints, we identify patterns and work with you to prevent future issues. By analysing feedback, we suggest actionable improvements and call strategies to improve your process.



Minimised costs

Through expert first-time resolution, reduced Ombudsman referrals and improved customer retention, our services help to reduce costs while increasing efficiency and safeguarding long-term profitability.



Flexibility

Whether you need overflow support during busy periods, specialist expertise for complex complaint types, or full complaint handling outsourcing, we adapt our services to your exact requirements.



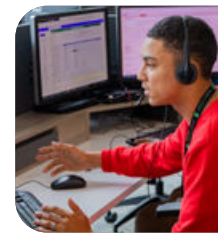
When frustration turns to advocacy

Harnessing complaints to strengthen trust, improve experiences, and build long-term customer commitment.

When complaints are handled exceptionally well, customers often report higher satisfaction and loyalty than those who never experienced problems in the first place and can even lead to business growth from customer recommendations. This is known as the service recovery paradox, and it's at the heart of why complaints

can be a surprising route to competitive advantage.

But how can this paradox make any sense? Following the customer journey step-by-step as they interact with Sigma Connected's complaints management system, we can trace out a clear path from frustration to advocacy:



STAGE 1 **Recognition**

Acknowledging the customer's concern with genuine empathy and taking ownership of their experience.

1



STAGE 2 **Investigation**

Thorough, professional investigation that demonstrates competence and commitment to fair outcomes.

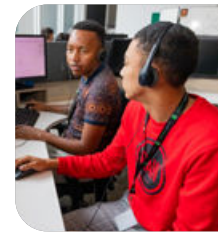
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STAGE 3 **Resolution**

Clear communication of findings and appropriate remedies that address both the specific issue and underlying concerns.

3



STAGE 4 **Learning**

Following up to ensure satisfaction and using the experience to prevent similar issues for other customers.

4



STAGE 5 **Advocacy**

Customers who experience excellent complaint resolution become powerful advocates, often referring friends and family.

5



CASE STUDY

From crisis to 90% quality in just 12 weeks

How we rebuilt a bank's complaints system at speed.

Our client, a major bank, faced a huge challenge. A significant backlog of unresolved complaints had built up, with new cases coming in daily. They needed a fully operational process to clear the backlog whilst managing the day-to-day cases, carefully but at speed.

The client anticipated that it would take months to clear the complaints backlog, but we managed it within weeks.

We set up two dedicated teams. One would run BAU (business as usual) operations using structured processes and clear priorities to handle new complaints, while the other would focus on clearing the older cases.

Our training and operations centred on five key areas: prioritisation, quality, clear communication, insight-driven improvements as well as speed and efficiency.

We instructed agents to handle the oldest cases first, and established clear guidelines so that every response was best practice. Our focus on clear communication ensured compliant and working language that was easy to understand.

Practical improvements were driven by real-time insights from our frontline team, helping to improve first-contact resolutions and reduce costs. And the simple tracking system we implemented kept cases moving steadily through the process, reaching resolutions without delays.

The client had anticipated that it would take months to clear the complaints backlog, but we managed it within weeks.

Meanwhile, our BAU operation reached full competency within 10 weeks, setting the stage for high performance across the board.



"The speed and quality of Sigma Connected's deployment was exceptional. They didn't just clear our backlog – they completely transformed our complaints operation. We now have the robust, scalable system we needed all along."

Head of Customer Operations,
Client

Our quality scores hit 90% by week 12, and we met our productivity target of handling four complaints per day by week 8. Zero complaints went unresolved after 56 days, and frontline insights led directly to a new goodwill gesture policy that boosted first contact resolution and overall customer satisfaction.

By combining cutting-edge financial training with real-time insights, we created a complete, structured complaint handling operation that saved costs, rapidly cleared the backlog and transformed our clients' complaints process from a problem into a loyalty-boosting asset.

Where Sigma Connected can support your Financial Services complaints

Expert outsourcing could redefine your customer connections

Complaint volumes continue to rise across Financial Services. Not all organisations have the capacity to deal with this, and the ones that do don't necessarily have the expertise.

In either case, the likely results are complaints not handled in the most effective manner, leading to lengthy delays, unresolved issues, unhappy customers and poor retention.

So what's the solution?

You could build up expensive internal capabilities or you could partner with proven specialists who can deliver more effective outcomes, more efficiently.

By choosing a trusted partner, you gain additional capacity along with specialist knowledge and proven processes that are difficult to build internally. The result is faster, fairer complaint resolution with a stronger impact on customer loyalty.

How could Sigma Connected's outsourced support elevate your complaints process?

Cost efficiency:

As specialist providers offering expert services, we represent better value than building internal teams.

Scalability:

We deliver flexible resources that adapt to seasonal fluctuations and changing complaint volumes.

Expertise:

Working with us gives you immediate access to regulatory knowledge and best practices without extensive training investments.

Focus:

Your internal teams can concentrate on core business activities while our specialists handle complex complaints.



"Generic customer service creates risk - expert complaint handling creates competitive advantage. That's the difference we deliver every day."

Gary Gilburd, Founder & CEO, **Sigma Connected**



Are you fully capitalising on customer complaints?

Every customer touchpoint is an opportunity, none more so than complaints management. And yet businesses frequently still view it as a problem to be minimised, creating missed opportunities with every interaction.

Financial Services complaints will continue growing in volume and complexity. The organisations that thrive will be those who harness complaints to demonstrate their commitment to brand values, customer support and regulatory excellence.

We are Sigma Connected. We know the hidden value of an effective customer complaints management process, and have the in-depth knowledge and skill to deliver it. Our expertise in Financial Services complaint handling, combined with our human-centric approach and regulatory knowledge, transforms complaint challenges into customer loyalty opportunities.

Ready to transform your complaint handling from cost centre to competitive advantage?

Contact **Colin McMahon: +44 7534 471990**
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Let's discuss how our expert complaint handling can strengthen your customer relationships and fuel business growth.

Find out more »

